



**Minutes of the Annual Meeting of
Members and Board of Directors
March 21, 2023**

Directors

In Person:

Brian Farrar - President, Vince Marchesani - Vice President, Bob Bachman - Treasurer, Paul Attwood - Secretary, Richard Garner, Larry Kosilla and Mike Malloy.

Directors

Absent

Ben Nelson

Staff Present:

John Jenkins, Andy Koebel, Steve Richards, Kim Hoskins, Todd Griglin, Jose Espinoza and Nathalie Galvan.

Counsel Present: Don Thomson of Henderson Franklin

Meeting Called to Order at 7:00 p.m. by President Farrar.

Vince Marchesani gave the Invocation.

Mike Malloy led everyone in the Pledge of Allegiance.

Brian Farrar introduced the staff and legal counsel.

Bob Bachman identified the Bylaw provisions that state the annual membership meeting requires not less than twenty members be present in person to constitute a quorum, and that based on the member sign-in sheet there were sufficient members to constitute a quorum. **Bachman** moved to approve the member count to constitute a quorum. 2nd by **Bauman**. Approved 8-0.

Paul Attwood stated a copy of the 2023 Annual Meeting Notice and Board of Directors Election providing notice of the date and time of the Annual Meeting was mailed to members with their February utility bills and was advertised in the Bonita Banner Newspaper on March 15 and March 18, 2023 as well as posted on the BSU Website and social media channels. **Attwood** moved to accept the Proof of Notice. 2nd by **Kosilla**. Approved 8-0.

Brian Farrar commented that another year had passed and that 2022 was anything but “business as usual.” He reported that BSU rose to the challenges presented and continued delivering safe, reliable potable water and wastewater service to our members. Although continued supply chain disruptions, labor shortages, inflation, and unpredictable economic conditions created difficulties, staff maintained consistent operations. BSU has strived to limit the impact to its members. In May, the Board approved a rate increase of just 3.5%, the first in more than a decade. This compares to a Consumer Price Index of almost 10% and equates to about \$2.50 monthly increase on the average utility bill. Hurricane Ian has left a lasting impact on our region and unfortunately it will be years before our area has fully recovered. Ian provides the type of test that none of us ever want to take but must be ready for at any time. BSU passed that test with flying colors. BSU worked hard to ensure that water and wastewater operations continued for our members who depend on it. On top of that BSU went above and beyond in various ways to help the larger community. He has never been prouder to be a member of BSU and hope that the members share that pride with him. On behalf of the Board of Directors, he thanked the members for continuing to trust BSU as their water and wastewater utility.

Andy Koebel gave a presentation on BSU’s Hurricane Ian recovery efforts. After the storm, many lift stations, along with other infrastructure, were damaged. Approximately 85 lift station panels were submerged in saltwater taking them out of service. Crews worked 12-hour shifts, 24 hours per day, for many weeks to maintain service while control panel repairs and replacement began. Other equipment was repaired and replaced, minor treatment plant repairs were needed, and a large effort was undertaken to restore service and repair damage in the devastated Bonita Beach area. BSU received assistance through the FlaWarn mutual aid program with crews from Seacoast Utility Authority and the City of West Palm Beach. In addition, as the only utility in the area not under a boil water notice, BSU supplied water to tanker trucks for delivery to hospitals and others in need. BSU also hosted out-of-town crews, provided needed equipment and staff to assist Lee County and the City of Punta Gorda and provided approximately 400,000 gallons per day to the Town of Ft. Myers Beach for several months as they worked to restore their utility system.

Steve Richards provided a Financial Report for the year 2022. He reported that the Utility had another positive year and is in a strong financial position.

Kim Hoskins provided an Engineering Report including the 2023 Capital Improvement Program. Work is continuing on the 4.0 MGD expansion of the Reverse Osmosis Water Treatment Plant with substantial completion anticipated in the summer of 2023. Four of ten new brackish water wells were drilled as a raw water source for the plant and in 2023 there will be additional wellfield expansion.

John Jenkins reported in Hurricane Ian’s impact on BSU. Staff is working with the Company’s insurance company and FEMA and expects substantial reimbursement of recovery costs. The Company benefited from previous risk and resilience efforts and will assess how to improve our processes to address future storms. This will include efforts to incorporate new statewide resiliency recommendations and programs. BSU completed the Advanced Metering Infrastructure (AMI) project and now members have a

customer portal to monitor their water use in near real time. The High-Efficiency Toilet Rebate Program is ongoing, and a Residential Irrigation Rebate Program has been added to conservation efforts. The 4.0 MGD water treatment plant expansion is almost complete and will position BSU well as the service area population continues to increase. BSU has been awarded a \$7,000,000 grant by the South Florida Water Management District to help fund a portion of the expansion. In shifting from current projects to future projects, BSU will focus on compliance with new regulations including EPA's lead and copper rule and monitoring and possible testing for PFAS/PFOS ("forever chemicals"). Future focus will also include Cyber Security issues. IT and Operations staff have been focused on this topic for several years and have done a good job in responding to this threat including separating the process control network from the enterprise network. Finally, staff was recognized for their excellent and tireless efforts in response to the damage caused by Hurricane Ian. They are first responders, were able to maintain water service throughout the service area except for the devastated barrier islands and worked around the clock to maintain wastewater service despite extensive damage to many lift station control panels.

Member Comment: Mr. Stan Norkiewicz inquired about the unrealized losses on investments in the 2022 Financial Statement. Finance Director Richards explained these were paper losses due to the sharp increase in interest rates which would be reversed as the treasury bills and other securities matured.

Brian Farrar announced that since there were no election results to report as we had only three candidates qualify for three seats on the Board, he asked for a motion to declare the candidates: Brian Farrar, Paul Attwood and Jim Murphy as elected without the requirement to hold an election by the members. **Marchesani** moved to accept Brian Farrar, Paul Attwood and James Murphy as Board member each serving a three-year term. 2nd by **Kosilla**. Approved 8-0.

Brian Farrar congratulated Jim Murphy and welcomed him back to the Board. He went on to thank Ben Nelson for his years of service to BSU and the community, including an initial 11 year term on the Board from 1990 to 2001 during which he served as President and Vice-President, as well as a term after his service to the City from 2017 to the present.

Unfinished Business – None

New Business - None

Bob Bachman moved to adjourn the meeting. 2nd by **Attwood**. Approved 8-0.

Meeting Adjourned by President Farrar at **7:48 p.m.**